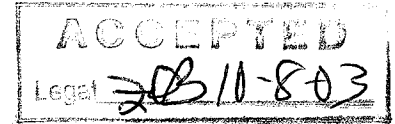
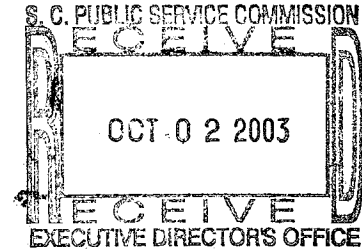


BEFORE



THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA



RE: Application Of Georgia Water & Well  
Services, Inc. For Approval Of An Increase  
In Water Rates And Charges

Pursuant to S.C. Rule 103-712(4)(A), Georgia Water & Well Services, Inc. hereby makes application for approval of an increase in the residential flat rate, the establishment of a metered residential rate, an increase in the flat rate for a new residential tap, the establishment of a metered commercial rate, and the establishment of a commercial tap fee for water service provided to customers in the Port Bass I, Port Bass II, Timberlake I, Timberlake II service area.

### History

By its Order No. 89-1131 on December 12, 1989 the Public Service Commission of South Carolina approved a new schedule of water rates and charges for Water Systems Inc. then owner of the water service area in question.

In January 1993 Georgia Water & Well Services, Inc. purchased the water systems owned by Water Systems Inc. Georgia Water & Well Services, Inc. continues to own & operate the water service area with no water rate increase since its purchase.

1. STATEMENT OF REASON JUSTIFYING NEED FOR PROPOSED RATE ADJUSTMENT

Georgia Water & Well Services, Inc. seeks an increase in the residential flat rate, the establishment of a metered residential rate, an increase in the flat rate for a new residential tap, the establishment of a metered commercial rate, and the establishment of a commercial tap fee for the following reasons:

- A. In 2002, per Georgia Water & Well Services, Inc. annual audit the company had a net loss of \$61,340.32. Without a rate increase the company projects a net loss of \$63,000.00 for 2003. The last rate increase was granted by the Public Service Commission on December 12, 1989, Docket No. 89-232-W/S, Order No. 89-1131
- B. Georgia Water & Well Services, Inc. is set to begin a capitol improvement plan to install meters on all customer taps. Over the past year GA Water & Well has made improvements to all existing pumping stations and has added an additional back up supply from Pioneer Rural Water District for Port Bass I subdivision. These improvements have required GA Water & Well to take on long term and short term debt to cover expenses. The proposal rate increase will allow the company to earn sufficient revenues to cover these improvement costs and maintain a minimal operating margin.
- C. The increase in the tap charges is requested in order to reflect the cost of material and labor needed to connect new customers.
- D. The establishment of commercial rates based on SFE's per DHEC regulations is due to the larger volume of water typically used by businesses.

2. MOST CURRENT A VAILABLE INCOME AND EXPENSE STATEMENT FOR THE PROCEEDING 12 MONTHS

See Exhibit A which indicates income and expenses for year ending December 31, 2002.

3. CURRENT AND PROPOSED RATE SCHEDULE

See Exhibit B

4. TEST YEAR PROPOSED TO BE USED

Fiscal 2002 → Calendar year (12/31/02) ← per PSC staff

5. PRO FORMA INCOME AND EXPENSE STATEMENT USING PROPOSED RATES APPLIED TO PROPOSED TEST YEAR

See Exhibit C

6. BALANCE SHEET

See Exhibit D

7. DEPRECIATION SCHEDULE BY CATEGORIES OF PLANT OR AVERAGE SERVICE LINES

See Exhibit E

8. NUMBER OF PRESENT AND EXPECTED CUSTOMERS IN FOLLOWING 12 MONTHS

Present – Residential: 445  
Commercial: 2

Expected – No more than 2-5 new residential customers expected yearly.  
The number of commercial customers should not change.

9. COST JUSTIFICATION FOR PROPOSED RATES AND CHARGES INCLUDING TAP FEES

Please Refer to Exhibit A, Exhibit C, and Exhibit F, Tap Fee Cost Justification

10. FILING OR UPDATING PERFORMANCE BOND IN ACCORDANCE WITH 3 OF THIS RULE

The company's owners presently have a personal letter of guarantee on file with the Commission

11. CURRENT OR UPDATED SERVICE AREA MAP

Service area map currently on file with the Commission. No change is sought

12. STATEMENT OF TOTAL PLANT INVESTMENT BY CATEGORIES

See Exhibit E, Summary of Depreciable Assets

13. MOST RECENT LETTER OF APPROVAL FORM DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

See Exhibit G

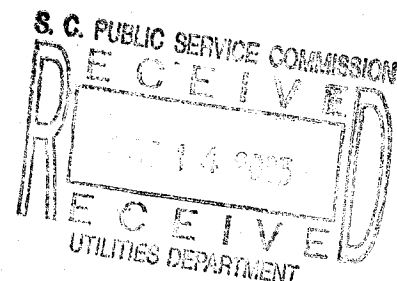
14. CUSTOMER BILL FORM

See Exhibit H

Respectfully Submitted



David A. Shoemaker  
Georgia Water & Well  
Services, Inc.  
259 Wynburn Ave.  
Athens, GA 30601  
Telephone: (706) 543-9353  
Email: carspbg@negia.net



# Exhibit A

EXHIBIT A  
GEORGIA WATER & WELL SERVICES, INC.  
SC INCOME AND EXPENSE STATEMENT  
FOR THE MONTH ENDING 12/31/02

YTD RATIO.....: NET REVENUE	12 MONTHS
INCOME	
SOUTH CAROLINA INCOME	<u>97,777.23</u>
SOUTH CAROLINA EXPENSES	
S.C. - TAXES & LICENSES	5,172.76
S.C. - POSTAGE	1,741.14
S.C. - TELEPHONE	3,568.93
S.C. - UTILITIES	13,640.76
S.C. - REPAIRS & MAINT.	31,101.92
S.C. - TRUCK	3,331.82
S.C. - INSURANCE-GENERAL	1,950.22
S.C. - PROFESSIONAL FEES	2,060.00
S.C. - MGMT FEES	47,590.00
S.C. - WATER TEST FEES	<u>13,333.00</u>
TOTAL EXPENSES	123,490.55
OTHER EXPENSES	
DEPRECIATION EXPENSES	<u>35,627.00</u>
GRAND TOTAL OPERATING EXPENSES	<u>159,117.55</u>
NET INCOME / (LOSS)	<u><u>\$ (61,340.32)</u></u>
OPERATING MARGIN	--0.62

# Exhibit B

## EXHIBIT B

### CURRENT SCHEDULE OF RATES

Monthly rate per residential tap	15.75	
DEHEC Fee	<u>2.50</u>	
Total monthly bill		18.25
Tap Fee	250.00	
Reconnection charge	125.00	

### PROPOSED SCHEDULE OF RATES

Monthly rate per residential tap	29.25	
DEHEC Fee	<u>2.50*</u>	
Total monthly bill		31.75
"OR"		
Basic charge on metered rate	26.25	
DEHEC Fee	<u>2.50*</u>	
Total monthly bill		28.75
Gallons included in base charge: 5000		
Commodity charge in excess of 5000	3.50 per thousand	
Tap Fee	670.00	
Reconnection Charge	125.00*	

\*Remains unchanged

### PROPOSED ESTABLISHMENT OF COMMERCIAL RATES

Commercial flat rate based on SFE's per DHEC regulations

Commercial tap fee based on SFE's per DHEC regulations

<u>CURRENT</u>	<u>PROPOSED</u>	<u># INCR</u>	<u>% INCR</u>
15.75	29.25	13.50	85.71%



# Exhibit C

# EXHIBIT C

Page 1

## GEORGIA WATER & WELL SERVICES, INC. PRO FORMA FLAT RATE RESULTS FOR THE MONTH ENDING 12/31/02

YTD RATIO.....: NET REVENUE	12 MONTHS	EST. EFFECT OF (FLAT RATE) RATE INCREASE	Pro Forma Results
INCOME			
SOUTH CAROLINA INCOME	<u>97,777.23</u>	<u>72,090.00</u>	<u>169,867.23</u>
SOUTH CAROLINA EXPENSES			
S.C. - TAXES & LICENSES	5,172.76		5,172.76
S.C. - POSTAGE	1,741.14		1,741.14
S.C. - TELEPHONE	3,568.93		3,568.93
S.C. - UTILITIES	13,640.76		13,640.76
S.C. - REPAIRS & MAINT.	31,101.92		31,101.92
S.C. - TRUCK	3,331.82		3,331.82
S.C. - INSURANCE-GENERAL	1,950.22		1,950.22
S.C. - PROFESSIONAL FEES	2,060.00		2,060.00
S.C. - MGMT FEES	47,590.00		47,590.00
S.C. - WATER TEST FEES	<u>13,333.00</u>		<u>13,333.00</u>
TOTAL EXPENSES	123,490.55		123,490.55
OTHER EXPENSES			
DEPRECIATION EXPENSES	<u>35,627.00</u>		<u>35,627.00</u>
GRAND TOTAL OPERATING EXPENSES	<u>159,117.55</u>		<u>159,117.55</u>
NET INCOME / (LOSS)	<u>\$ (61,340.32)</u>	<u>72,090.00</u>	<u>10,749.68</u>
OPERATING MARGIN	<u>-0.62</u>		<u>0.06</u>

# EXHIBIT C

Page 2

## GEORGIA WATER & WELL SERVICES, INC. PRO FORMA METERED RATE RESULTS FOR THE MONTH ENDING 12/31/02

YTD RATIO.....: NET REVENUE	12 MONTHS	EST. EFFECT OF (METER BASED) RATE INCREASE	Pro Forma Results
INCOME			
SOUTH CAROLINA INCOME	<u>97,777.23</u>	<u>56,070.00</u>	<u>153,847.23</u>
SOUTH CAROLINA EXPENSES			
S.C. - TAXES & LICENSES	5,172.76		5,172.76
S.C. - POSTAGE	1,741.14		1,741.14
S.C. - TELEPHONE	3,568.93		3,568.93
S.C. - UTILITIES	13,640.76	(2,728.15) *	10,912.61
S.C. - REPAIRS & MAINT.	31,101.92	(6,220.38) *	24,881.54
S.C. - TRUCK	3,331.82		3,331.82
S.C. - INSURANCE-GENERAL	1,950.22		1,950.22
S.C. - PROFESSIONAL FEES	2,060.00		2,060.00
S.C. - MGMT FEES	47,590.00		47,590.00
S.C. - WATER TEST FEES	<u>13,333.00</u>		<u>13,333.00</u>
TOTAL EXPENSES	123,490.55	(8,948.53)	114,542.02
OTHER EXPENSES			
DEPRECIATION EXPENSES	<u>35,627.00</u>		<u>35,627.00</u>
GRAND TOTAL OPERATING EXPENSES	<u>159,117.55</u>	<u>(8,948.53)</u>	<u>150,169.02</u>
NET INCOME / (LOSS)	<u>\$ (61,340.32)</u>	<u>65,018.53</u>	<u>3,678.21</u>
OPERATING MARGIN	<u>-0.62</u>		<u>0.023</u>

\* Reduction in expenses reflects a 20% drop in use of water due to installation of meters (Based on water usage and expenses in our metered water systems in Georgia.)

# Exhibit D

## EXHIBIT D

### GEORGIA WATER & WELL SERVICES, INC. BALANCE SHEET DECEMBER 31, 2002

#### ASSETS

##### CURRENT ASSETS

Cash In Banks	\$ (2,486.00)
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TOTAL CURRENT ASSETS	\$ (2,486.00)
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##### FIXED ASSETS

Trucks & Autos	\$ 60,931.00
Land	24,000.00
Machinery & Equipment	32,002.00
Water & Well Equipment	173,632.00
Accumulated Depreciation	<u>(211,709.00)</u>

TOTAL FIXED ASSETS	\$ 78,856.00
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TOTAL ASSETS	\$76,370.00
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#### LIABILITIES & EQUITY

##### NOTE PAYABLE

N/P – Chuck Carson	\$ 3,639.00
N/P – David Shoemaker	3,588.00
N/P – Athens First Bank	8,636.00
N/P – Gmac	5,807.00
N/P – Fnnl	35,078.00
N/P – Athens First Bank	<u>15,480.00</u>

TOTAL NOTES PAYABLE	\$ 72,228.00
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##### EQUITY

Stock	\$ 600.00
Retained Earnings	<u>3,542.00</u>

TOTAL EQUITY	\$ 4,142.00
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TOTAL LIABILITIES & EQUITY	\$76,370.00
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# Exhibit E

12/31/02

## 2002 Federal Depreciation Schedule

Page 1

Client GEORGIA

SC GA WATER &amp; WELL SERVICE, INC

58-1739082

2/25/03

10:45PM

Form 1120S

## Auto / Transport Equipment

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur. 179 Bonus	Special Dep. Allow.	Prior 179/ Bonus/ Sp. Dep.	Prior Dec. Bal. Dep.	Salvage /Basis Reductn.	Dep. Basis	Prior Dep.	Method	Life	Rate	Current Dep.
1	SC GMC SIERRA	10/31/00		15,976							15,976	6,870	200DB MQ	5	.22800	3,643
2	SC 2001 FORD F550 #8231	12/01/01		44,955							44,955	2,248	200DB MQ	5	.38000	17,083

## Total Auto / Transport Equipment

## Land

3	SC LAND	2/03/93		24,000							24,000					0
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## Total Land

## Machinery and Equipment

4	SC COMPUTER	2/01/93		1,200							1,200	1,200	200DB HY	7		0
5	SC TANKS	1/07/94		897							897	897	200DB HY	7		0
6	SC PUMP	5/04/95		1,155				1,155			0		200DB HY	7		0
7	SC CASE BACKHOE	1/13/99		13,000				4,000			9,000	5,557	200DB MQ	7	.10930	984
8	SC VERMEER TRENCHER #0272	1/17/02		15,750							15,750		200DB HY	7	.14290	2,251

## Total Machinery and Equipment

## Miscellaneous

9	SC WELL PUMP	8/22/94		415							415	348	200DB HY	10	.06550	27
10	SC PUMPS	11/23/94		2,267							2,267	1,894	200DB HY	10	.06550	148
11	SC PORT BASS & TIMBERLAKE	2/03/93		161,278							161,278	145,409	200DB HY	10	.06550	10,564
12	SC PORT BASS WELL PUMP	11/26/93		2,000							2,000	1,802	200DB HY	10	.06550	131

7,654

26,847

0

5,155

0

0

32,002

15,750

13,000

1,155

897

1,200

15,750

9,000

5,557

2,248

6,870

15,976

44,955

2,267

1,894

348

415

1,155

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12/31/02

## 2002 Federal Depreciation Schedule

Page 2

Client GEORGIA

SC GA WATER &amp; WELL SERVICE, INC

58-1739082

2/25/03

10:45PM

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Dep. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn.	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
13	SC PORT BASS WELL PUMP	12/21/93		1,014							1,014	913	200DB HY	10	.06550	66
14	SC PORT BASS WELL PUMP	7/12/93		1,406							1,406	1,268	200DB HY	10	.06550	92
15	SC PUMP	7/08/94		1,237							1,237	1,035	200DB HY	10	.06550	81
16	SC PORT VAST #1	8/15/01		2,460							2,460	185	200DB MQ	10	.18500	455
17	SC WATER LINE	7/01/94		1,555							1,555	1,301	200DB HY	10	.06550	102
Total Miscellaneous																
				173,632		0	0	0	0	0	173,632	154,155				11,666
Total Depreciation																
				290,565		0	0	5,155	0	0	285,410	170,927				35,627
Grand Total Depreciation																
				290,565		0	0	5,155	0	0	285,410	170,927				35,627



# Exhibit F

## EXHIBIT F

### RESIDENTIAL TAP FEE INCREASE JUSTIFICATION

Materials:	4 x $\frac{3}{4}$ saddle	
	$\frac{3}{4}$ corporation stop	
	$\frac{3}{4}$ curb stop	
	standard meter box with lid	
	60' $\frac{3}{4}$ service tubing	
	Total Material	130.00
Equipment Time:	Backhoe 6 hours	180.00
Labor:	2 men – 6 hours @ \$60.00 per hour	360.00
Total Time & Labor :		670.00

### PROPOSED COMMERCIAL TAP FEE JUSTIFICATION

Commercial tap fee based on SFE's per DHEC regulations

# Exhibit G



ENVIRONMENTAL QUALITY CONTROL - APPALACHIA I DISTRICT  
2404 North Main Street, Anderson, S. C., 29621  
Office: (864) 260-5569 / Fax: (864) 260-4855

SERVING: ANDERSON & OCONEE COUNTIES

January 27, 2003

Mr. David Shoemaker  
Georgia Water & Well, Inc.  
259 Wynburn Ave.  
Athens, GA 30601

Re: Sanitary Survey Inspection  
Port Bass I & II, Timberlake I & II  
System Numbers 3750002, 3750012, 3750006 and 3750007  
Oconee County

Dear Mr. Shoemaker:

Enclosed is a copy of the recent Sanitary Survey Inspection for the above-mentioned systems. An overall rating of Satisfactory was issued, however, be advised that the storage capacity at Timberlake II is considered to be insufficient by our standards. No action is required at this time because there have been no apparent pressure or quantity concerns but if it is determined in the future that there are problems then the storage capacity should be increased.

Thank you and your staff for your time and cooperation during the survey. If I can be of any assistance, do not hesitate to call me at (864) 260-5569.

Sincerely,

Christopher Eleazer  
Drinking Water Program Manager  
Appalachia I EQC

# Exhibit H

GEORGIA WATER AND WELL SERVICES, INC.  
 259 WYNBURN AVENUE  
 ATHENS, GEORGIA 30601  
 (706) 543-9353

DATE BILLED

FIRST CLASS MAIL  
 U.S. POSTAGE  
 PAID  
 ATHENS, GA 30601  
 PERMIT NO. 109

SERVICE ADDRESS		
PREVIOUS	PRESENT	CONSUMPTION
DESCRIPTION		AMOUNT
TOTAL		

AMOUNT DUE	AMOUNT PAID

ACCOUNTS PAST DUE 30 DAYS FROM DATE BILLED WILL BE SUBJECT TO PENALTY

RETURN THIS PORTION WITH PAYMENT